



July 16, 2001

Chevron U.S.A. Production Co.
935 Gravier Street
New Orleans, LA 70112

Arthur P. Mitchell
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Honorable Philip N. Asprodites
Commissioner of Conservation
State of Louisiana
P.O. Box 94275, Capitol Station
Baton Rouge, Louisiana 70804-9275

**Re: Unit Application
8850' Sand, Reservoir B
Bay Marchand Block 2 Field
Lafourche Parish, LA**

Dear Commissioner Asprodites:

Application is hereby made by Chevron U.S.A. Inc. ("Applicant") for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the 8850' Sand, Reservoir B, in the Bay Marchand Block 2 Field, Lafourche Parish, Louisiana.

1. To establish rules and regulations governing the exploration for and production of oil and gas from the 8850' Sand, Reservoir B, in the Bay Marchand Block 2 Field, Lafourche Parish, Louisiana.
2. To create one drilling and production unit for the 8850' Sand, Reservoir B, in the Bay Marchand Block 2 Field.
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created, with each separate tract sharing in unit production on a surface acreage basis of participation.
4. To designate the Applicant as operator of the proposed unit.
5. To designate the Chevron U.S.A. Inc. (Energy Partners, Ltd.) – State Lease 1365 No. 82 S/T-1 Well as the unit well for said unit in exception to the spacing provisions of Statewide Order No. 29-E.

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6. To provide that any future replacement and/or alternate unit wells drilled to the 8850' Sand, Reservoir B, shall be exempt from the spacing provisions of Statewide Order No. 29-E.
7. To provide that the Commissioner of Conservation should be authorized to reclassify the reservoir by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner.
8. To consider such other matters as may be pertinent to this application.

The 8850' Sand, Reservoir B, in the Bay Marchand Block 2 Field, Lafourche Parish, Louisiana, is defined as that oil and gas bearing sand encountered between the depths of 7456' and 7577' (electric log measurements) (subsea depths of -6689' and -6787') in the Chevron U.S.A. Inc. (Energy Partners, Ltd.) - State Lease 1365 No. 82 S/T-1 Well located in the Bay Marchand Block 2 Field, Lafourche Parish, Louisiana.

A pre-application notice letter dated June 28, 2001, was mailed to the Commissioner of Conservation with copies being sent to the District Manager of the Lafayette District of the Office of Conservation and to each Interested Owner and Represented Party. A conference was not requested and accordingly, none was held.

All pertinent data relating to the subject application is available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 N. Causeway Blvd., Suite 204, Metairie, Louisiana 70002. Any person wishing to inspect such data should call Mr. Dugue' Daigle at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is not otherwise available from the Office of Conservation can be obtained from Mr. Daigle **at the cost of the requesting party.**

There is attached hereto and made a part hereof, a plat outlining the proposed unit and a list of the names and addresses of the Interested Parties, Interested Owners and Represented Parties to whom this application is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation; however, the list of parties will be furnished to any party requesting copies. A reasonable effort was made to ascertain the names and addresses of all Interested Parties, Interested Owners and Represented Parties as required by the Revised Rules of Procedure.

Finally, enclosed is a Chevron check in the amount of \$700.00 payable to the State of Louisiana, Office of Conservation to cover the hearing costs.

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Kindly set this matter for hearing at the earliest convenient date.

Respectfully submitted,

CHEVRON U.S.A. INC.

By *Arthur P. Mitchell*

cc: Mr. Richard D. Hudson
District Manager
Office of Conservation
825 Kaliste Saloom Road
Brandwine III, Suite 220
Lafayette, Louisiana 70508-4284

Interested Parties, Interested Owners
and Represented Parties

APM/no:0206

POOLED AREA II

O/W

FAULT

FAULT

State Lease No. 1365

8850' RB SUA
S.L. 1365 No. 82 ST 1
+/- 39.7 Acres

CHEVRON



BAY MARCHAND BLOCK 2 FIELD

LAFOURCHE PARISH, LOUISIANA

Proposed Unit Plat

8,850' Sand - Reservoir "B"

Date:

EXHIBIT No.

DOCKET No.



Geology: LOUIS GILBERT & ASSOCIATES

- PROPOSED UNIT

- UNIT WELL

